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SUBJECT: FFAMC CHAIRMAN UPBEAT ON CPA IMPLEMENTATION AT AEC SESSION
SKIPPED BY SPLM

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¶1. (SBU) SUMMARY: Dr. Mohammed Osman Ibrahim, Chairman of the GOS's Fiscal and Financial Allocation and Monitoring Commission (FFAMC), spoke to a special plenary session of the Assessment and Evaluation Commission (AEC) April 10, updating a report he presented last October (REFTEL). Most oil revenue owed to the South is being transferred, while the Northern states are being shortchanged. The Chairman noted a lack of cooperation from the various States of Southern Sudan, which have not been providing requested information on transfers of oil revenue that they receive via the GOSS. One point of contention between the GoSS and the GNU appears to have been cleared up: The Chairman said the two sides have agreed on a means of collecting national revenues (customs and taxes) in the South. Despite pledging to have a representative at every AEC and working group session to help prepare the Mid-Term Evaluation (MTE) of the CPA process, no one from the SPLM attended special session of the FFAMC. END SUMMARY

BIG SUMS BEING TRANSFERRED; NORTHERN STATES LOSE OUT

¶2. (U) The April 10 plenary was organized by the US in its capacity as Coordinator of the Wealth Sharing Working Group. The FFAMC is one of the primary monitoring bodies created under terms of the CPA, and is tasked with providing transparency in the Wealth Sharing provisions of that agreement. Dr. Ibrahim provided up-to-date information on transfers of oil revenues under the CPA. The allocation of revenue by the GNU to the GoSS for calendar 2007 was 2.798 billion Sudanese pounds (about \$1.4 billion USD); the "deficit" (arrears) in payments was three percent, or 81.5 million pounds (\$40.75 million USD). The Northern States were the big loser with the biggest deficit, receiving only 76% of the 3.09 billion pounds (\$1.5 billion USD) they were entitled to under the formulas of the CPA.

FFAMC SAYS IT IS RECEIVING GENERALLY GOOD COOPERATION

¶3. (U) Chairman Ibrahim said that the cooperation his agency is receiving from the GoSS and the GNU is fairly good. Asked to identify any agencies which have not been providing adequate cooperation in providing information, he singled out only the separate state governments of Southern Sudan. The States have not been filling out the questionnaires with the information on the transfers they receive via the GoSS. Ibrahim noted that it was to the states' benefit to provide this information.

¶4. (SBU) COMMENT: The FFAMC Chairman painted a generally positive picture of CPA implementation, which has improved since his last visit five months ago. The trend is towards greater cooperation from the GNU (particularly the Ministry of Finance). During his last presentation, he singled out that Ministry as not being receptive to FFAMC requests for information. According to the FFAMC's data, the GNU is providing the lion's share of oil wealth owed to the GoSS. This time, the shortcomings appear more on the side of the South. The lack of cooperation by the Southern States

may be the result more of a lack of organizational capacity of the states rather than a refusal to fulfill terms of the CPA. However, it could also reflect a decision imposed by the GOSS; whether the FFAMC has the right to monitor the transfers of funds once they have been delivered to the GoSS is a point of contention between the GOSS and the GNU.

FERNANDEZ